

REGULAR MEETING AND PUBLIC HEARING
OF THE FALLS CHURCH PLANNING COMMISSION
NOVEMBER 2, 2009
Council Chamber

1. CALL TO ORDER: Chair Lawrence called the meeting to order at 7:03 p.m.

2. ROLL CALL:

Members Present: Ms. Hockenberry
Mr. Kearney
Mr. Lawrence
Mr. Meeks
Ms. Rodgers
Ms. Teates
Mr. Wodiska

Administrative Staff Present: Ms. Cotellessa, General
Manager of Development
Services and Planning
Director

3. ADOPTION OF AGENDA:

Ms. Hockenberry moved, and Ms. Rodgers seconded, to adopt the agenda.

Upon voice vote, the motion passed unanimously.

4. PLANNING COMMISSION REPORTS:

Ms. Teates announced the EDA meeting is tomorrow, November 3, 2009, at 6:30 and Mr. Jim Snyder, who is coordinating the Virginia Tech graduating students, will appear to talk about what is happening with the graduate student study of East Falls Church. They're also looking at the area around Jefferson Street and the industrial areas off of Route 29.

Chair Lawrence had come to the meeting directly from his son's baseball game which was still in progress and was told that if they won he should announce it, but if they didn't, not to say anything.

5. RECEIPT OF PETITIONS: None.

6: PLANNING DIRECTOR'S REPORT:
Granicus Information

Ms. Cotellessa related that one of the interesting bits of information Granicus provides was the number of hits and who is watching the Planning Commission meetings. She thought it would be a useful tool, particularly as they go through the Comprehensive Planning process.

Ms. Cotellessa thanked the planning commissioners for the 7:00 start of tonight's meeting to coordinate Ms. Mester's presentation to them concurrently with the City Council worksession taking place downstairs.

Ms. Cotellessa reported her office was beginning the process of laying out a full time line to plan for the Comprehensive Plan update. That along with the Zoning Ordinance review will be the bulk of the projects to the Planning Commission for

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the next few years. Several other things are coming up project-wise but they'll have to focus on that. Ms. Block Sanford was putting together a team to lead that discussion and looking at what's in the current Comp Plan, and adding to, as Mr. Kearney had asked, the list of reports. Currently there is a list of reports at the back of the project. They have identified another 10 or 15 studies that have occurred since that was written so that will be updated. That would be coming forward as the process begins.

Ms. Cotellessa noted that zoning enforcement was always tricky this time of year with signs all over the place but in general the parties have been pretty good this year and she really appreciated that help.

Ms. Cotellessa related she expected the application for the Center City South Apartments to be coming to the Planning Commission shortly and that process would begin again. BB&T is still trying to revise drawings and several options have been seen but one hasn't been submitted formally for review yet.

Ms. Cotellessa said staff was trying to sort out townhouses with decks in two or three different areas. The process and site is a problem. Additionally, it is heavy planting season for urban forestry and they were looking at a whole host of things potentially in concert with the Environmental Services Committee.

Ms. Cotellessa concluded by advising the commissioners this evening's New Business centers on the CIP and how that is folding into the 2010 process.

Ms. Rodgers inquired about green roofs on bus stops and wondered if there was any idea on cost projections.

Ms. Cotellessa noted discussions had been had with WMATA on development projects. WMATA had no interest in maintaining custom shelters. WMATA currently is in difficult funding times and it was Ms. Cotellessa's understanding they were no longer going to be installing shelters or maintaining them. All shelters installed were likely to become a maintenance issue for the community, which she felt was a green light for this project as well as to meet other City policies and goals. She would look into cost estimates. Ms. Rodgers opined that might also be a good joint community project.

Ms. Hockenberry attended the City Council meeting and worksession the night of City Center House Apartments and there was lots of information and many questions. She also noted an article on parking which showed really how archaic the City's parking quotas are and demonstrated how it was changing from a suburban to more of an urban model.

Ms. Cotellessa added the article talked about having parking maximums and not parking minimums and there were financing issues with some.

Ms. Hockenberry mentioned another article about Arlington and how they were going to charge for parking and they just needed to push people along to have them use other methods of transportation. While she didn't think Falls Church was at that point yet, it was interesting what was happening in other communities.

7. OLD BUSINESS: None.

8. NEW BUSINESS:

Fiscal year 2010 Capital Improvements Program, CIP, Budget Adjustments Presentation and discussion. Action: PC is requested to provide comments to the City Manager and City Council.

Chair Lawrence asked Ms. Cindy Mester, Assistant City Manager, if they needed to go back and pass recommendations and send it on, because many of the suggestions from the City Manager were things technically that could be done administratively.

Ms. Mester said currently all of the CIP discussions before them are a proposal to put the CIP on hold and not do a formal amendment to the CIP but to revisit it next Spring. Next Spring, if there is a formal amendment to the CIP, it will require formal Planning Commission review and recommendation back to City Council.

The current proposal is for the recommendation to be endorsed by City Council. It's currently scheduled for November 9th with the worksession again this evening following the Planning Commission meeting and the first two items on the agenda. After that, there will be a clearer sense whether they're going to do a formal resolution. There was a lot of discussion on the pros and cons to that: Whether to have the City Manager do it administratively as he's charged by the Charter to do because there must be a balanced budget; or for City Council to take action and say these are the right areas to cut and action plans.

Ms. Mester related there had been discussion on whether the Planning Commission tonight wants to make a formal recommendation or at least provide comments back to Council as they weigh the pros and cons of holding the CIP items as one of the strategies for closing the FY10 budget shortfall.

Ms. Cotellessa said she purposefully chose the wording to provide comments to the City Manager and the City Council because the action to close out the fiscal year 2010 budget and balance it is an administrative act of the City Manager. He's gone to the City Council and asked for their endorsement and the Council and the City Manager are interested in getting comments and recommendations from the Planning Commission.

She thought the best forum for that might be a motion: If the Planning Commission wished to make a formal motion with a series of comments, or to endorse the proposed action to put this on hold. The whole issue of any changes to the CIP will come later in the next budget year or as a formal amendment at the November 16th meeting. There are a few new stimulus projects that might be more formal amendments. This is looking at the actions proposed by the City Manager and can be done as formally or informally as they liked. There is no required resolution or required ordinance. It can be simple comments or a motion as the Planning Commission chooses.

Mr. Meeks didn't understand the timing of "next year" because today was already November 2nd. He didn't understand what it is they're waiting on for the next CIP and how long are they on hold.

Ms. Cotellessa explained what was happening is they want to close out the fiscal 2010 budget before they get into the fiscal 2011 budget process. The Fiscal 2011 budget process kicks off formally at the end of this month with a joint retreat between the City Council and the School Board to begin discussions on next year's budget. To close out this year and make it work, the proposal is to freeze the Capital Improvement Projects.

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Ms. Cotellessa further explained if in the Spring, based on an approved budget and increased tax rate, the City gets funding, because it receives funding in advance of the fiscal year in July from any tax increase, and if revenues are greater than projected, they can then revisit the CIP and see if they can get some of those things funded that had to be put on hold. They've already been deemed worthy projects and need to be done. They're saying there is no money and they're putting them on hold. If money comes in the Spring, they'll be looked at again to figure out what they can fund before the next fiscal year.

Ms. Mester said they would not know until April 26th, 2010, what the FY11 tax rate is. The FY11 tax rate is pretty sure to be higher because assessments are going down, so at minimum they're going to equalize the tax rate. If they're dealing with any of the costs of the pension and general budget school costs, it will be an increased tax rate. That comes in the Spring billing which actually accrues to FY10. So if there is a penny increase, at the very minimum you know there is going to be \$300,000 coming back and it can be incremented up. The FY10 budget rate will help to know whether the things that are on hold to fill the 5.6 million projected shortfall, as it is only a projection today, will solve that out.

Ms. Mester related the challenging piece is that normally staff would be starting the FY11 CIP now and presenting it at the first meeting in January. They'll not know at that point whether these projects are on hold or not so they won't know whether to propose them for the next year. They have only preliminarily talked about it. Part of it hasn't been cited until they see what Council does to endorse or support the City Manager's proposal. It may make sense this year to decouple the operating budget with the CIP. Other jurisdictions do that. You adopt the operating budget. You know what the tax rate is, you know what your money is, then you plan your CIP project, in which case they would probably collapse the projects on hold with the FY11-15 CIP and merge them all and reprioritize and readopt.

Ms. Mester thought that would make sense and she didn't think they could discuss projects on hold and a future CIP until they had the full revenue picture. If that's the case, then the Planning Commission will not see the CIP until May because they would have to know what the adopted tax rate is to know what the fund balance is and whether they're doing a CIP or not.

Ms. Cotellessa said in the recent past they coupled the CIP and the budget process. That is not always done. A lot of times they're done in different tracks. They don't need to be done necessarily concurrently.

Ms. Mester added that it may just be for this next budget cycle and they'll revisit whether to bring them back together or whether this works best for the community and the budgeting process.

Chair Lawrence commented that even though it's November, they were not six months into the fiscal year.

Ms. Mester replied that staff is starting the operating budget and capital budgets, a first quarter to implement the new tax year. Normally there is a fund balance and that is not an issue.

Ms. Mester screened a PowerPoint presentation showing there was a \$5.6 million projected shortfall. All of those revenue projections and the budget memos and any of the Powerpoints seen on October 5, October 19, and October 26, are on the City's

web site on the budget page. This presentation was to encapsulate once again the proposed way to reach the \$5.6 million shortfall.

Ms. Mester showed the property tax shortfall as \$4.1 million and then all other taxes at \$1.5 million. The \$4.1 million property tax is being proposed to be corrected by holding the CIP. There has to be a balanced budget and policies need to be brought back into compliance. The target is 12 percent of the revenues and anything above 12 percent of the revenue fund balance ratio can be used for capital one time projects. It cannot go below 8 percent.

Currently if FY10 is not corrected, the fund balance is below 8 percent because FY09 ended \$4.2 million in the hole as well. The correction brings it back to 8 percent. FY09 is already closed out and you can't make that whole but they do have to correct FY10 to be at policy limits by the policy. Within 5 years they have to be back to the 12 percent and they have to be at 8 percent in two years. Since they know FY09 is below 8 percent, they have to be back at 8 percent at the end of 2010. As the next CIP is developed, whatever time line process that will be, they need to be back to the 12 percent.

Ms. Mester presented the chart seen on October 19th. The pink bottom line is the minimum 8 percent, the blue is the 12 percent target, the teal, high one that goes up and down with mountain peaks, is what the actual CIP project has been and that shows where they were significantly above the 12 percent target.

The purpose of having that money is to do infrastructure. Over the last couple years the City has been using the CIP to fund capital improvement projects for the City's infrastructure. With the drop in revenue, that falls below the dark green line, what is represented by freezing the CIP and bringing it back to policy.

The CIP is in two phases. It's the hold, as discussed, everything except for health, safety, local match to federal grants; and, two, projects that were already far enough along that were under contract in terms of Recs and Park and storm water.

The long range planning needs to be done, reassessed in the Spring, look at how to tie it to years 11 to 15, coupled or decoupled. There is no debt service expected in FY10 that affects the General Fund. Ms. Mester highlighted that because the CCSA and the \$2 million, all of that is a separate discussion. It doesn't impact the General Fund. Even if the debt was issued in FY10, there is no debt service in this fiscal year. That will be a discussion before the Planning Commission and Council separate from tonight's FY10 shortfall hold.

There is \$5.2 million available in the CIP. In talking about availability, that is local funded only. It's not referring to debt service or grants. They are proposing 4.2 hold and that leaves a little over \$1 million for spending.

As talked about on the 19th, there are some critical projects that will still proceed, whether they're facility age, radio, refinishing out the site plan for Hamlett, West End, putting Robert Parks play equipment back in, and matching some grants for Broad Street federal funding, storm water, STAG federal funding, and some transportation projects. The third bullet is actually the funding that would be the separate discussion they need to amend the CIP for.

Ms. Mester presented a chart showing the federal grants of \$6.4 and \$770,000 as the match for those. There are grant fundings not in the CIP and depending on actually getting those, they would be back to amend. Depending on the timing, it would

probably roll into the FY11-15. There are some good works and projects and opportunities going forward but, as Ms. Cotellessa indicated, the CIP projects on hold were deemed important and a priority for the community and they need to be reassessed in the Spring to see whether they can be funded in the future and when.

To provide an update on the School Boards, subsequent to this presentation and putting the package out for the Planning Commission, the School Board is only going to retain \$25,000 and not \$50,000, so that will reduce slightly and put \$25,000 back, available to hold and solve the budget. The rest remains the same.

Ms. Mester informed the commissioners they had the full chart of the projects which talks about what's on hold under Facilities, Recs and Park, athletic fields, and so forth. She was glad to walk through any of them in detail and answer questions.

Mr. Meeks inquired how the Open Space Fund was being counted.

Ms. Mester explained the open space, the hold of local funding is \$4.2 million. The \$4.2 million is part of the City Manager's proposal for the \$4.1 million. By the time she took projects, because you couldn't do one quarter of a project, it rounded to 4.2. The top bullet on the slide Ms. Mester referred to showed the 4.1 they were trying to get to by freezing the CIP. It brings it to policy limits. Then the surplus policy and then the Spring billing helps balance FY10, and then you do the operating. The first subtotal of 4.2, it is only locally funded projects. The open space, except for the 452 which is local money now that it's come back from the resale, the 1.1 open space is still in the Open Space Fund. It's debt serviced so it doesn't solve an FY10 budget shortfall. The City Manager has proposed the \$452,000 be used to balance the FY10 budget.

Mr. Meeks asked if they had actually bonded the \$1.1 million and it's actually on the books. His understanding was that is literally not sitting in a bank account somewhere but that is part of other bonds and, in fact, may not have yet even been borrowed.

Ms. Mester said it was not quite 50-50; some has been bonded and some has not. It was going to go out with a future locally funded project, like the 2 million for the affordable housing or the 6 million for the municipal, but it is a commitment. Bonds have not been issued but they've been approved to be issued.

Mr. Meeks said holding the 1.14 was not part of the fund balance. Ms. Mester agreed it did not solve the budget shortfall.

Regarding 215 South Lee Street, Mr. Meeks said there were resolutions about buying it and selling it and his understanding was, unless there was a change, City Council's approval was needed to reallocate the money. The proceeds from the sale would be returned to the City's Open Space Fund and used for future purchase of open space, so it would need to be amended from this summer.

Ms. Mester confirmed that was correct, as with any CIP project. There was a resolution to buy it and there was a resolution to sell it and subsequent to that in September there was a budget ordinance amendment which put the \$452,000 in the Open Space Fund of the CIP. When the carry-overs were done, as for FY09, that was a budget amendment. It is local money and it's back in the CIP. The City Manager is proposing to hold that as all other CIP projects.

Mr. Meeks said he's been reading the paperwork and didn't understand the terms "holding" and "reallocating". Moving the money from the CIP to the General Fund

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seemed to him to be very different than holding it.

Ms. Mester said they were not taking this money and moving it to the General Fund. It was clearly being frozen in the CIP to restore the fund balance. Any of the CIP projects cannot go into the General Fund operating budget because you cannot use one time money for ongoing operations. Any CIP hold project which would include the \$452,000, as the City Manager has proposed, sits in the holding pot and City Council would have to take action with Planning Commission recommendation to amend the CIP and remove it or just put it back in the fund balance.

Taking it from a project, it doesn't go into what the City operates and spends for salary and trash pick up and urban forestry, pruning, but it would go back in the fund balance to restore to 12 percent.

Mr. Meeks was 90 percent sure that the Open Space Fund was not CIP money. It's an Open Space Fund specifically designated to be separate from essentially the CIP and certainly the intention of the Planning Commission and the Open Space Committee and of the Council was that that could certainly be in future years disbanded and the open space money could essentially pay down the debt or whatever, but it could never be moved into something other than open space acquisition. The original legislation, it's conceivable there is a phrase that gives a little more leeway than he thought was there. But the substantive thing would be if you move that 452 into the Open Space Fund, which he believed had happened, he's not sure it can be disbanded. It can probably pay down debt. He was trying to understand at least as it relates to the CIP process, but he didn't think that was part of the CIP.

Ms. Mester submitted the CIP is a broad term for any project that is over 100,000 and has a life span of more than 5 years. Within the CIP there are several different funding sources. Some are grant funded, open space, affordable housing, and debt financed, and more traditional projects. Clearly the intent was to establish the Open Space Fund, the debt service and the refinancing of one of the bonds that helped seed that, was clearly intended to stay for open space.

This was only putting 452 on hold. Nothing can formally move it without a Planning Commission action and Council action and that may be a CIP amendment or it may be the broader, more legal review as to the status of the Open Space Fund. Just as there is an Open Space Fund, General Fund, Sewer Fund. Water and Sewer is another example of a CIP fund. She added that question is under legal review and it will take City Council action.

Ms. Hockenberry noted three members of the Planning Commission were on the Parks and Rec Committee and the whole intent of that Open Space Fund was an actual fund line item like the affordable housing and it was fairly untouchable.

Ms. Mester reported the City Attorney was looking at that in terms of the level of untouchability for the definition of legal terms but clearly Ms. Mester concurred that was the intent and that was the way it was administered and set up since she's been doing this.

Ms. Hockenberry noted many were outspoken regarding the 215 South Lee property, that any sale of that property would go directly back into the Open Space Fund just because of the whole nature of the situation. It was first purchased for the Hamlett and then mainly because they couldn't get any easement. Now they have the easement, but it was very much vocalized.

Ms. Mester informed the commissioners the City Manager concurred with that and that

was clearly the budget action in September '08, to support that. The City Manager would not have this on the table if the City wasn't looking at a \$5.6 million shortfall but the specific legal question is before the City's attorney, Mr. Foster.

Ms. Hockenberry knew there was a history involved with some of the members of the Park and Recs group who were absolutely adamant because at some other time in the history there was an Open Space Fund that was totally depleted because of a budget situation also. There is a great concern that the City's going to do it again. It's very much of a concern to many people since the City made such a positive push towards open space and had made great inroads from that. Realizing it's a difficult time, Ms. Hockenberry further submitted that the decision should be made so that the future is not totally wiped out and any projects in the matching funds because everything can't be pulled to a stop.

Ms. Mester drew attention to the Surplus Property categories, and that on November 16th Council will be reviewing that, the same night the Planning Commission reviews Washington Street. She thought they were proposing to see if the Planning Commission would want that as a joint discussion because it's going back to surplus property. Ms. Cotellessa and staff along with real estate were trying to list all of the City's surplus properties and get some prioritization and direction. These are two examples but there could be others or ones that the community doesn't want to pursue. There will be an additional worksession specifically on surplus properties on November 16.

Ms. Hockenberry informed the commissioners all those properties were listed and assessments were done back when they were looking for land for the new middle school, so there should be a lot of history and reports. A lot of work went into that and they were all listed and valued at that point in time, which of course has changed since that, but it was quite an extensive list.

Ms. Mester said the problem was since they became City properties they're not assessed at the same rate as market rate. The value on the books right now is about \$15 a square foot.

Ms. Cotellessa added they were actually producing that for the November 16th session. The City Council would like to meet in joint worksession for two things: One, to get the final report on the North Washington Streetscape, and the second is a surplus property report.

The original list of surplus properties, part of this open space review, were added to that list. They tried to get all of the pay-for-streets in there. They looked at school-owned properties, they looked at the utility-owned properties, the idea being to show all of the entities that are owned by the City. There is a fairly expanded list from the original list. They've gone back and gone over with real estate assessments all of the properties. They looked at every nook and cranny to make sure all the records are completely brought up to date. They talked to the assessor about the assessments and they'll be producing a large matrix listing all of the properties and a map showing both within the City and the few that are fairly contiguous outside the City, the high school and things like that, and then some of the further flung ones like where the utilities might have a property in Tysons, listing those out. All of those of will be subject for discussion as to which of those might be used to deal with some of the project issues.

It will be a joint worksession because as charged in the Charter, whenever the City goes to sell property, the Planning Commission weighs in on that. The Planning

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Commission needs to have all the same information at the same time City Council is getting it.

Ms. Mester said the intention will be to have the answer at that meeting to the question Mr. Meeks had raised.

Mr. Kearney noted the water tower at Tysons was mentioned and asked if anybody was looking at selling air rights to local developers to assemble land out there with the new upzoning of Tysons Corner. He understood Clydes Restaurant is in play and he thought we're right next to that. Depending on how it's zoned now, he was certain there was value there. Ms. Cotellessa said they would look into that. Ms. Mester knew

the City did sell cell tower space but hadn't done much air rights. Mr. Kearney advised another way would be to join that property with someone else's as part of a site plan and any density on the City property would be combined rather than a sale of air rights. Ms. Mester said that could be put on the table and considered prior to or part of the November 16th discussion.

Ms. Hockenberry said along with the utility properties she hoped they would be very diligent in looking at the legal aspects of those properties because of where that money can go. If it's utility property, whether it has to go into the Water and Sewer Funds or what. Under Dan McKeever, there was a big question about bond ratings and everything else, if you start selling things and it looks like you're in difficulty. That came up with the utility properties, that they can't go into a General Fund Balance.

Ms. Mester confirmed that was being reviewed and it is preliminary that if water funds were used to purchase it, the proceeds would go back to the Water Fund.

Ms. Cotellessa advised the commissioners a list would be drawn up identifying the 100 properties the City jointly owns, so that when somebody asks about a specific property, they'll have a matrix to say when it was purchased, with what money, and what it can be used for. She suspected out of 85 properties added, that three quarters of them you can't really do anything with but at least it would help prioritize and identify what may be surplus and if you can do something with it.

Chair Lawrence went back to the \$452,000 and asked if it's under the Properties category, did something different have to happen for it to go in the General Fund; and secondly, if it did go in, how did it come back out. His concern was if it's being used to get the City above the 8 percent, that was a pretty high bar to then say we're going to take it out and then we'll start dropping down.

Ms. Mester thought that was why it's important and the City Manager was recommending that this be an administrative hold. It's held, there is no spending. They stay within policy which keeps the City's bond rating and then in the Spring assess and reprioritize and make decisions as to whether that is taken or not, whether daylighting is needed, or you want implementation of the Hamlett Reese plan.

She acknowledged there are a lot of priorities out there. Once it's final and it's part of the fund balance, when it goes into the General Fund, she asked the commissioners to make sure in their mind they're thinking Fund Balance, not Operating General Fund. It would have to be rebudgeted and reappropriated and it would take a long time to rebuild the CIP because they still have to get back to the 12 percent. 8 percent gets them back to the minimum policy compliance.

Ms. Mester continued that if it's formally adopted as a budget reduction, whether it's open space or any of the other projects, it was in there for a while.

Mr. Meeks submitted what concerned him the most of the reallocation of the \$452,000 and the impression he had when there was a joint worksession with the School Board and City Council was this is not getting better in the Spring, it's getting worse and once it's gone, it's gone. He thought they're headed in the wrong direction and his general impression was it's a little disingenuous to say they're going to reassess this and it's going to magically get better in the Spring because he didn't think that was the direction they were headed.

Chair Lawrence noted Mr. Shields went to an all staff meeting at the library and answered every question they had and it made a difference. It didn't make budget cuts any better but it showed he understood how bad it was. Ms. Mester related Mr. Shields does that every year but this year it's more critical.

Ms. Rodgers inquired about grant funding and matching requirements. For City Center improvements, the City has to match \$82,487 for a \$4 million grant, and what happens to the \$4 million if the City didn't match it. She also asked about the Route 7 transit service enhancement which was a much smaller amount. She asked for clarification as to what the City has to give them and what the City would lose if it didn't and when these things are triggered, because a lot of the grants had been sitting around for a few years.

Ms. Mester explained City Center improvements and intermodal grants have been there for an extended period of time. They generally have a 3 year clock with a first year of allocation. These were ones that each year got a subsequent allocation. The clock is starting to tick. The intermodal one is upon them and they had to do some paperwork this past year to keep it alive and get it reappropriated. They are at a critical point where they need to use those monies. The community needs parking and intermodal, improved transit, pedestrian roadways, and that can help stimulate redevelopment. Going through the Comp Plan, Transportation Planning update, they need to look at using this money or they'll lose it. \$6.4 million, when they have nothing else in the CIP right now, she thought they need to look at and work to the benefit of the City.

There are required matches for those, and the federal government because of budget constraints is already starting to recapture money not used. So in good days if your proportional share of the match went down, your grant money went down. But if the City doesn't have the match at all, clearly the grant will go. Right now it will be pretty tough negotiation to say, Oh, we can't fund all of this. Let us keep 50 percent of it. It's very likely it will be recaptured and reappropriated. She couldn't answer firmly it would be 100 percent taken but clearly pro rata they will lose. If it gets too small, they probably can't do the project they need to do and at that point it's moot.

Ms. Rodgers asked if the proposal was to do the required match for whatever was on the chart and that would go into the budget.

Ms. Mester replied it would stay in the CIP and not be put on hold.

Ms. Rodgers asked if something like the Intermodal Transit Center, because there is not a real project right now, how did that work? Did the City have to show what it's doing if it's expecting to get the money?

Ms. Mester responded that the City doesn't get the money until they show it. It's money appropriated to the City. The City actually has to execute the agreement

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which is with the project, showing the engineering design and all of the requirements. What they're looking at internally with the Planning staff and the engineering staff is assessing all of these and other grants to formulate a strategic plan so it can unfold out to the Planning Commission, the community, boards and commissions. Ms. Block Sanford had been doing a lot of work on that.

Ms. Cotellessa remarked the planning commissioners spent countless hours working on the City Center Project and these were envisioned to support that project. Getting this much in terms of grant appropriations for a small community as Falls Church is really enormous and you have to fight for a lot of them. The worst thing you can do is not use them because the next fight doesn't work so well.

She said they were holding this money for City Center improvements so that they could support in advance the redevelopment efforts being done. When the economy and market tanked and that project in many ways evaporated, they still need to leverage appropriate redevelopment in that area. Staff is looking at ways in which they can do that by proposing where it might be appropriate to have this intermodal transit center, what the City needs to do with the roadways, the transit, the parking garage, everything else, to spur development when things wake up again. They're looking at ways to revise that. It must be done now or else they will lose the money. This feeds into the Comp Plan process. Ms. Cotellessa said she had asked Ms. Block Sanford to take a look with DES in putting together a good strategic transportation plan.

Ms. Rodgers professed that was her concern, building something just to keep the money. It was her hope there would be a regular process.

Ms. Cotellessa said this will come through as a strategic transportation plan that will go through the Planning Commission and City Council.

Ms. Mester agreed that although the economy had tanked and they need to stimulate development, they concurrently have the North Washington Street Plan, South Washington Street Plan, they were about to do the traffic calming plan, and a lot of other planning has come together. She thought it's the time to take advantage of strategic thinking and try to stimulate the redevelopment.

Mr. Kearney inquired if there were deadlines involved with this funding.

Ms. Mester replied there are but to date the federal government has worked with the City and hasn't clocked out on anything. Within a year they are going to start losing the first year of allocations because the three year clocks are ticking.

Mr. Kearney asked if that information could be provided to the Planning Commission. Ms. Mester said they would work with Ms. Block Sanford on the time lines.

Ms. Hockenberry said she would like to see follow through regarding matching funds addressed in the motion because losing the money didn't make any sense. She felt frankly the City had invested so little of its own money or any money that it's had in any of the projects, she thought they needed to do some leverage with that and use it to leverage other funds out there. For instance, the intermodal monies, while certainly not big enough to build a garage or anything like that, but it is certainly enough to leverage. That was one of her questions on the 19th, to see if that money could be used to leverage other monies and to get some things going. She thought they're going to see that with the City Center South Apartments. They've got \$8 million of funding which is about half of the whole project, and to throw that away and not use it would be just not realistic.

Mr. Wodiska asked Ms. Mester to review with the commissioners the 09 STAG daylighting grant project.

Ms. Mester informed the commissioners STAG, States Tribal Assistance Grant, is federal funding Congressman Moran submitted as part of the discretionary. It is targeted for daylighting and storm water improvements. It's \$500,000. The State takes off 3 percent so it's actually 485, and that is how you get to the calculation it's a 45 percent match. In looking at the work with the City's engineering department, there are several daylighting projects they're looking at.

Ms. Mester informed the commissioners she learned on Friday that Congressman Moran's submission for FY10 got another \$500,000 for daylighting. It also comes with a 45 percent match grant which will be challenging to come by.

Ms. Teates had been talking with Ms. Hockenberry to see how this motion would come about. She thought one thing they needed to comment on in their motion was that the matching funds needed to be used and to make sure they hold onto those. The shift to the Open Space Fund made her very uncomfortable.

One of the things Ms. Teates remembered from the Open Space Committee was that they went over all the different times that the City had looked at Open Space, multiple plans, where they kept making statements where there is a limited time to get land for open space and over and over again they did not follow through on the report. Of course, they're in a situation now where they'd love to have some open space, not just for the parks but also for the schools. Her feeling was any motion they would make needed to point out that while there are other issues on the table, she's comfortable with the things they're going to put holds on but she was very uncomfortable with the open space and in her mind the motion had to contain that.

Chair Lawrence said in terms of the matching grants, as long as they say "wherever feasible", because he was looking at \$400,000 for an intermodal transit center that right now is supposed to be in a place that is not going to happen, and he didn't want to say we have to spend \$400,000 when there is no project. Ms. Teates agreed with that and said she considered it to be a placeholder because no one knows for sure that it would be at that corner.

Ms. Cotellessa related that was what they were working on and agreed with Ms. Teates.

Ms. Teates opined that what would be interesting is the idea of what can be done with all the monies. There are general terms like intermodal and a general idea that this can be used to do road improvements, but what is the scope of what can be done there? She thought it might be a good idea for the Planning Commission to have a worksession and brainstorm with the planning staff a little bit and provide concepts and think about the issues. One of them is seeing what other localities have done with this type of money. The terminology is kind of vague and she thought it's one of the things where you know what you can't do with it but sometimes it's hard to know exactly what you can do.

Ms. Mester acknowledged there are limits what you can and can't use the grant for. When the grant is written, they're trying to be very broad. You must be specific when you write the grant that it matches the perimeters of the grant so you can get it, but as broad as possible within that to address the concerns. For example, there is \$128,000 sitting at WMATA which they have to go back to the federal government to get reprogrammed because it wasn't used for the shuttles when the

West Falls Church garage was being built. It was reprogrammed to say three 30 foot George buses, which is not going to happen. They've been working to reprogram it so it says engine overhaul, new buses, bus shelters, and green roofs.

Ms. Cotellessa advised the commissioners they have worked very carefully with a representative from VDOT to say things have changed since the City was originally awarded these grants and they'd like to be able to reprogram to address current needs and priorities. They've been very helpful saying you can't touch this money in this way but they could maybe reprogram this. Staff is part of joint coordinating committees for transportation projects where they can go in to the other jurisdictions and say we need to do various projects and we need to move the money from this pile to another. That group has to make recommendations to larger bodies and as long as they understand what it is the City is trying to do, they are generally very supportive. There have been many discussions but they need to be as flexible, as current and creative as possible with all of these.

Chair Lawrence added part of the problem is when he sees City Center Improvements, he puts it in the framework of the City Center project which it's really not. The same with an intermodal transit center, it may be able to do a lot of things but he pictures a building with a lot of different things coming into it. If provided the perimeters and the ability to think creatively, they would be happy to.

Ms. Mester reported the daylighting was for Pearson Stream, daylighting at Hamlett, finishing out the Kent Street drainage, and a separate match piece was to finish out the DCR grant which is what Environmental Services just presented in terms of all the cistern and the low impact development piece.

Mr. Wodiska asked a question about the money listed under the required match. For that daylighting project, there is a \$225,000 required match. If that money were not to be leveraged, if the City was going to not do that particular project because of the projects listed here because that is the one by far with the worst leverage ratio, would that \$225,000 be able to go into operating budget or back to the open space?

Ms. Mester responded if that project was not done and they let go of the 500,000, it would go back to General Fund fund balance, not operating budget. So it would help restore the 8 percent and if they were over 12 percent it could be reallocated to another CIP project. It is local funded. That would apply to any of the grants. If you let go of the grants, that's locally funded money that would go back to fund balance.

The Chair opened the item to the public. Hearing no response, the Chair closed the item to the public.

Ms. Teates said she didn't remember doing a motion where the planning commissioners were providing comments.

Ms. Hockenberry said she didn't see the need to have a motion.

Ms. Cotellessa thought a motion wasn't necessarily required but wanted a convenient way where the Planning Commission can transmit to the City Manager and City Council its thoughts on closing out fiscal 2010. She suggested the planning commissioners could make a motion to provide the following comments to the City Manager and the City Council on this and they could vote on the motion.

Ms. Hockenberry noted a lot of comments had been made and suggested making a motion

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to summarize the following comments to be carried forward on the Fiscal Year 10 budget shortfall close out and to say specifically something to the Open Space Fund.

Chair Lawrence noted the sentiment and the expressed concern that the open space money in effect was going to leave the Open Space Fund and never get put back in. The reassessment in the Spring is going to say things are worse and the City can't afford to put it back in the Open Space Fund.

Ms. Rodgers thought rather than saying something vague like there is a lot of concern, suggested possibly the commissioners say something such as, There is a strong sense of the Planning Commission that the money should remain in the Open Space Fund. That didn't mean the City Council had to do that.

Ms. Hockenberry said that along that same line it would be a great feeling of consensus that the matching funds need to be used for the projects.

Chair Lawrence added "To the greatest extent possible."

Mr. Meeks wanted to get a motion on two things. One, he thought it would be reasonably easy to craft a motion relative towards the matching funds and, two, he wanted to get a motion on the Hamlett properties, specifically 215 South Lee. He believed there was a fairly clear paper trail on what was supposed to happen with the money. The third part of this which goes to the CIP money being put on hold, he didn't think a motion was needed on that because it's already under way.

Chair Lawrence pointed out that even though it's under way doesn't change the fact that the Planning Commission had been asked to give their opinion. Most of what had been presented to them had been well thought out. The situation is horrible and people have found money where they wouldn't have had to find it a year ago. He proffered that they were pretty much fine with most of this and they just had a couple of concerns that were fairly high profile and widely shared.

Mr. Wodiska asked for clarification on what was being communicated in regard to the open space. If this worked out in some way where they were able to designate that this is supposed to stay in Open Space Fund and in some ways is untouchable, did that mean, using the 215 South Lee example, that they would have to make up in other budget cuts the \$452,000? Chair Lawrence acknowledged that was, in effect, correct.

Mr. Wodiska related everyone has concern about it and the intent was very clear. He was certainly as supportive as he could be of open space and the future of the City, but he was not quite sure he was comfortable saying this needs to be locked down. When he looked at some of the other cuts, which are well thought out down to a thousand dollars in some cases, he was not sure he was willing to say let's add another \$452,000 burden to additional budget cuts over how it's categorized.

Mr. Meeks believed this was where this gets tricky. If you said to him they're going to take this \$452,000 and they're not going to do what was said, which is put it back in the Open Space Fund, understand why that was the case. 215 South Lee was purchased with Open Space Fund money, then it was sold. So where would the money go back to its original place? If you said, hey, we need the money back for something else, they'd sort of be having one conversation, but they're reallocating and putting the money on hold. His concern was he thought they could come up with \$452,000 in additional saving if it's only a question of holding until the Spring. Once it leaves, it never comes back.

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While Mr. Wodiska understood what Mr. Meeks was saying, the only part he disagreed with is that they can find \$452,000. When he looked through this, he was very supportive of 215 Lee when they did it. He wanted to be very clear, he's all for open space and wants to have funds available to make acquisitions that are necessary for the future of the City. The part about finding \$452,000 though, when he went through the document, there is nothing. There is no low hanging fruit anymore. It appears from this report that the City was cutting pretty deep in the near term.

Mr. Meeks' sense was they weren't cutting that deep and basically what this is a reflection of and what is very frustrating to him from a CIP standpoint is the notion that somehow they're going to wait until April and there will be this magic moment where the sun comes up and the money comes flowing down the hill. The fact of the matter is there are whole departments in the City that cut \$4000. There are other departments that really did make some substantive cuts, but there are whole sections that went untouched essentially. All the difficult conversations where the real substantive money is weren't went into. So if you really wanted to look at \$500 or \$1000 from the library, he thought that was his frustration as a taxpayer because that is not solving the problem. To him, this holding \$452,000 or reallocating \$452,000 just papers over the problem they're going to have in the Spring.

Mr. Wodiska completely agreed that in the Spring they were not expecting this to be much better. There are some items where it's a thousand dollars cut but others, there were massive cuts. The entire memo is only getting to \$1.5 million. There are a lot of line items listed. It's a small budget. Mr. Wodiska said he was under no illusion that this money was going to come back in the Spring. It is in some ways intellectually dishonest to say it's going into there and, hey, it's going to come right back out in the Spring. But to make the obligation to go back to these departments and say come up with another \$452,000 seems very onerous to him. For what they're talking about is this money, how it is titled or how it's organized. It seemed to him they can make a recommendation but to play it out and say they actually followed that recommendation, he thought they're making the problem in some ways worse.

Ms. Hockenberry thought in some ways they're getting into territories that the Planning Commission shouldn't be involved in. If they went ahead and made a recommendation, tell them what they think, that is what they're supposed to do. It's up to the City Council and up to the staff to go ahead and work with it. That's not our bailiwick, all the individual parts of the budget. Our parts of the budget are separate and apart from that. We need to stick with the CIP items and give our opinion on that.

Chair Lawrence agreed there is not a clear dividing line on that but this is the sort of debate needed. If they did make a motion, should they have a second one on the open space so it looks like there would be disagreement on that instead of the broader motion.

Mr. Kearney personally found the 452,000 to be the low hanging fruit and would go on record the other way.

Chair Lawrence noted the problem is you make it up one of two ways: Either by selling property or firing people. The lack of cuts in departments have come from the fact that people are trying to not have to fire. At the library, they've done everything they could on the Board to find ways to save money without cutting

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people or the book collection.

Ms. Cotellessa reported that during the last budget year there were two mid year corrections, so this is another correction on top of several corrections they've already had with respect to trimming. There will be a larger discussion in Fiscal Year 11 because the projects do continue. In the meantime positions have been frozen. The big discussion will be level of service with respect to the operating budget and what level of service does the community expect based on what level of staffing there is.

Ms. Cotellessa related it seemed to her what she was hearing was that the planning commissioners had reviewed the City Manager's proposal for addressing the expected shortfall and that the strong sense of the Commission is that there is concern about the Open Space Fund and about maintaining opportunities for open space acquisition and that the Planning Commission is supportive and understands that matching funds to grants leverage additional monies. She suggested that those were the two primary comments that this Commission would like to carry forward, if that seemed reasonable.

Chair Lawrence said unless anyone felt they needed to vote on the Open Space Fund specifically, he thought that did capture it and it would be also in the minutes.

Ms. Cotellessa said the commissioners could direct staff to carry those comments back to the City Council and the City Manager, and they would do so.

Ms. Hockenberry thought that covered it but Mr. Meeks respectfully completely disagreed and emphasized that if anyone thought that the \$452,000 would stop layoffs or furloughs, they were kidding themselves. He couldn't see ever getting the money back.

Chair Lawrence replied that while he didn't think they were getting the money back and it would delay and defer. The only thing that will stop the layoffs is the economy turning around. This will not do it but it does delay it and they would not have to lay off people. He thought it came down to the trade off of having money to buy open space as opposed to keeping people in services and he would support the latter.

Mr. Meeks recalled when they went through the whole CIP before about the courts and the sheriff and that enormous expense, they never went to the heart of the issue which was why did they need a court in the first place and why there were no cuts in the budget from that.

Chair Lawrence agreed and that was one reason he was glad the issue was raised the other day to look at eliminating the problem, not paying to fix it.

Mr. Meeks believed very strongly the quality of a civilization of a community is its institutions and giving up \$452,000 to not talk about the big money in the budget is a mistake.

Ms. Teates offered the one thing that clarified this in her mind was it's not the Planning Commission's province to look at the rest of the budget and how they make up that \$452,000. That \$452,000 is in their area because it's about the Open Space Fund which is about planning in the future. It's in the CIP. Her issue is she's looking at that \$452,000 separately from the rest of the budget because her responsibility, is not the rest of the budget. Her responsibility is planning for the future and working with the CIP to have the best future for Falls Church that

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they can. In her mind that means that the \$452,000 needs to space in Open Space Fund because they made it clear when that purchase was going through that that money would go back to replenish the funds it took to purchase the property out of Open Space Funds. It's two separate issues.

Ms. Hockenberry agreed with Ms. Teates' statement.

Chair Lawrence put forth that there is the legal issue of whether or not they should actually do it given the fact it's supposed to go back.

Ms. Teates reiterated that there is a legal issue but also the issue they all know and are aware of is that no matter how they come up with a way to move that money, that money was meant to go back into the Open Space Fund. The Open Space Fund was meant to be a separate fund and it was to be kept to buy property to enhance the future of the City. Therefore that was her issue, that this money is being used for other uses other than what it was intended for. While she is concerned as a citizen on a greater aspect of the budget obviously, but that is not the Planning Commission's area. They have to look at what their area is. Their area is the CIP, it's the open space, and it's the planning of the future of Falls Church.

Ms. Mester put up on the screen the address that citizens could e-mail any suggestions on the budget and said they welcome citizen input.

She concluded by saying none of them are naive enough to see that FY11 is not going to be hard. This is a FY10 budget shortfall to balance it so they're in Charter compliance. Clearly on November 30th when they start looking at revenue and projected expenditures, they're going to have hard discussions about level of service staffing. There isn't room to cut in operating. They've down to personnel and level of service for FY11. They welcome thoughts and ideas and citizens' desire to cut or fund with taxes.

Chair Lawrence asked Ms. Cotellessa for advice on how to proceed.

Ms. Cotellessa said she and Cindy Mester would carry back to the City Manager and to the City Council the Commission's thoughts on the CIP which are to address the budget shortfall, that the Planning Commission has reviewed the City Manager's proposal, that the Commission believes that there are two main priorities that have been identified within the CIP that need to be considered by these bodies.

One is that the funds that leverage additional funding, particularly grant funding, are critical to retain because of the bang for the buck that is received on those, and with the understanding that they are looking at appropriately programming those to use for projects that the Planning Commission will have a chance to review.

Second, there is a voiced concern that they are mindful of issues with respect to open space acquisition and that the funding, particularly for South Lee Street, was meant to go back into the Open Space Fund and they should be mindful of that.

Mr. Kearney said he'd love to see that go away. The 452, from his point of view, is surplus land. Just because it was meant for something else before, it's a whole new day and whole new budget situation, whole new economy. That 452 is sitting there. He didn't see any reason not to go and grab it. He understood what was said but he hoped they could say there is not consensus on the use of that at this point.

Mr. Meeks said the Commission passed their motion and the Council passed their

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motion in September of 2009 so it's not that new a day and it's not that anyone didn't know in January when they were doing the CIP that money was going to be tight.

Mr. Meeks was fairly well convinced that the legal path to taking this money would not be an easy one so he was going to forestall any motion until they get a clear sense of how the money would be taken. The motion Mr. Meeks proposed is that they in some way use that \$452,000 to pay down any debt or to reduce the fund balance rather than to just take it. He suggested to actually see how the money is supposed to get back. He thought the way this was going to resolve itself was that it has to be used to pay down debt.

(Ms. Hockenberry left the meeting.)

Ms. Cotellessa would carry forward that there are concerns about these uses without a unanimous voice in terms of the importance of retaining that, but there were expressed concerns. It's not a unanimous forwarding but she thought the Commission was providing comments that were on both sides of the issue out in the community and this Board reflected those comments.

Chair Lawrence advised the commissioners if they wanted to send anything else to Ms. Cotellessa or Ms. Mester separately, he was sure it would find its way to City Council.

Ms. Mester noted they would be researching some of the questions brought up tonight and part of that will be at the November 16th worksession on surplus property.

**B. Fiscal Year 2010 Capital Improvements Program (CIP) Projects Amendments.
Action: Discussion of Amendment to CIP for Stimulus Projects and Project Funding.
Reallocations (Advance information only - formal action to be scheduled
November/December)**

Ms. Mester inquired if there was any discussion on the stimulus money and the RSTP.

Ms. Cotellessa had provided the memo from Ms. Block Sanford which shows there are a couple of stimulus projects that will be coming back to the Planning Commission to formally add into the CIP. The sidewalk reconstruction and traffic calming have no matches. The little bit that's left over from a project about 3 years old, they've asked to roll over into a current project. Those are fairly pro forma. They'll be looking for a formal consideration because they'll be amending the CIP to add them in.

Chair Lawrence asked if there was a pedestrian and bicycle plan.

Ms. Cotellessa responded an RFP was issued and they will be very shortly selecting someone to come in and do an actual pedestrian and bicycle plan that will be informed by the CACT's pedestrian plan which will be a starting seed to this particular project. This will fund not only the actual project but may begin funding some of the actual work on that project. It is separate from the CACT.

Ms. Mester added it would take it to another level of assessment, analysis and recommendations on how to make Falls Church pedestrian friendly. Both of these grants are no match.

They're still fine tuning the actual project with staff review with NVTA and Stimulus and then it will be brought to the Planning Commission.

9. OTHER BUSINESS: None.

10. ADOPTION OF MINUTES: October 19, 2008.

Ms. Teates made a motion, which Mr. Kearney seconded, to adopt the minutes of October 19, 2009.

Upon voice vote, the motion passed unanimously. (Mr. Wodiska abstained and Ms. Hockenberry was not present.)

Chair Lawrence announced that Ms. Hockenberry had to leave for a birthday celebration and the Mud Cats did beat the Express, 10 to 8.

Ms. Cotellessa said if the City Council was still in session they would be discussing this downstairs and it was also on Granicus to be viewed at any time.

11. ADJOURNMENT: Ms. Teates made a motion, which Mr. Wodiska seconded, to adjourn the meeting at 8:43 p.m.

Respectfully Submitted,

Noted and Approved:

Ann Hieber
Recording Secretary

Suzanne Cotellessa, AICP
Planning Director

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